

REMARKS

Applicant has carefully considered the positions of the Examiner, and respectfully requests reconsideration based upon the clear differences between the present invention and the cited references.

I. THE INVENTION

The present invention relates to an improved credit card system. More specifically, the invention provides a discretely apportioned available credit line that limits transactions that can be made for particular purposes in a manner custom fit to the cardholder. In an alternative embodiment, the credit card holder may create sub-accounts for specific purchases, for example, limiting the available credit to the value of an online or telephone transaction.

This may be accomplished by the credit providing institution assembling a list of categories and potential merchants, then dividing those merchants who subscribe to its credit service within those particular categories. When a transaction is made with the credit card, authorization will be made with respect to the particular category or merchant. The credit institution may also create discrete sub-accounts for particular purchases. This system will allow that in the event the credit limit has been reached in a particular category or sub-account, either through ordinary charging or through misappropriation, the card will remain effective for emergency charges (tow trucks, hospitals, etc.) or charges for essential items like food and prescription drugs.

The current systems provide methods to facilitate credit card verification systems and to use credit card systems in different formats. None of the prior art addresses a credit card solution

that apportions credit availability to specific purposes and limits false charges in each discrete billing category, while simultaneously allowing cardholders control over their own transactions and the transactions of other authorized card users.

In accordance with the present invention, the partitioned credit card system combines the traditional advantages of credit cards with the advantages of a segregated credit line. For example, transactions authorized by the system for online commerce would be limited to a preset portion of the card user's total credit line. The cardholder is given the freedom to shop using a credit system while knowing that the card will always be functional in an emergency or for essential purchases.

Another advantage of this partitioned credit card system is its limitation of unauthorized transactions in any particular category up to that category's limit. Those who steal card numbers either during online transmission or through theft of the card itself are limited in their attempt to defraud the cardholder by preset categories and credit limits. Each category limit will be much lower than the total credit card limit, thereby greatly reducing the exposure of card users and credit institutions to unauthorized purchases.

Even this limited exposure is eliminated for online and telephone commerce through the use of sub-accounts, which the user may establish for individual transactions. In this embodiment of the present invention, the user may create sub-accounts with credit limits equal in amount to the transaction amount. When the transaction is complete, the sub-account is empty so there can be no unauthorized purchases.

II. THE EXAMINER'S REJECTION OF CLAIMS 1-6

In the June 4, 2003 Office Action, the Examiner rejected claims 1-6 under 35 U.S.C. § 103(a) as being unpatentable over Fleming United States Patent No. 5,953,710 ("Fleming") in view of Cohen United States Patent No. 6,422,462 ("Cohen"). The Examiner argued:

"Fleming teaches at a credit card system wherein a sub-account or an apportioned credit line is linked to parents credit account (see abstract, col. 3, lines 5+). Sub-account has a credit limit set by a primary account holder within the limit of the primary account. Since the apportioned credit line can be linked to one or more parents account, the credit line for the sub-account is equal among all credit cards associated with the credit line.

Although Fleming provides means to control and monitor sub account's activity by adjusting credit limit and number of transactions, Fleming fails to specifically teach or fairly suggest that credit line can be apportioned for specific classes of transactions.

Cohen teaches credit/debit cards for issuance by a card holder, the cards being limited to use in transaction at selected vendors only (see abstract; col. 5, lines 26+; col. 8, lines 41+).

In view of Cohen's teaching, it would have been obvious to an ordinary skill in the art at the time the invention was made to employ additional means to authorize transaction based on selected vendors to the teachings of Fleming in order to reduce questionable transactions by sub-account holders. Although Fleming provides detailed transaction report by sub-account holders, the report

simply shows consummated transactions, not avoiding them. By reducing allowable credit limit or number of transactions, genuine need for purchases can be unintentionally hampered. Yet, the undesirable purchases can still occur. Accordingly, one would be motivated to filter at vendor level as disclosed in Cohen as to who may be the approved merchants are (i.e., children is allowed to use the card for tuitions, books, selected entertainment providers, etc.), and therefore, an obvious expedient. Moreover, since particular vendors are selected and authorized, the vendor can provide products or services over the Internet or telephone (Cohen, col. 3, lines 34+)."

III. THE EXAMINER'S REJECTION OF CLAIMS 1-6 SHOULD BE RECONSIDERED

Fleming discloses methods and systems which may be used to provide a mechanism for supervising credit or debit card usage. The disclosed methods and systems include a child's credit card account linked to a parent's credit or debit card account. The parent may change the child's available credit without changing the total combined available credit for the child's and the parent's accounts. In addition, Fleming teaches that an expenditure counter figure associated with the child's account can be used by the parent to enable the child to make an unlimited number of purchases, a limited number of purchases, or no purchases. The parent may also make a single payment for both the child's and parent's credit card accounts. The methods and systems may also be used outside of the parent/child context whenever supervision is required. For example, they may also be used by a single individual to provide limited credit card usage in less secure environments (See Abstract).

It is clear that Fleming is almost exclusively concerned with the parent/child relationship. Fleming is essentially silent as to the many alternatives disclosed in the present application. More importantly, Fleming neither teaches nor suggests the safety feature that is a principal component of Applicant's invention. As disclosed in amended Claim 1, applicant's system incorporates an important safety feature unanticipated by Fleming. Specifically, Applicant segregates some portion of the credit limit for emergency purchases. Thus, even if the credit card is overextended and would be declined for all other purposes, applicant's system would allow its user to buy gasoline or make a phone call, etc. Undoubtedly, Fleming would certainly have included this kind of feature if it had occurred to him. What parent isn't intensely concerned with his or her child's welfare?

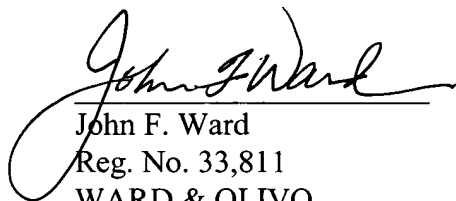
Cohen does nothing to cure this shortcoming of Fleming. Cohen is concerned with limited use credit cards, i.e., cards issued, for example, to children or employees which may be used only in certain pre-approved establishments. The thought process behind this is apparently to minimize credit card fraud. This sounds like a good idea, but it bears no resemblance to the "emergency" capability of Applicant's product. A card that lets your daughter buy books at Barnes & Noble doesn't do much good if she needs to buy gasoline to get home.

CONCLUSION

In view of the foregoing, the applicant respectfully submits that the present invention represents a patentable contribution to the art and the application is in condition for allowance. Early and favorable action is accordingly solicited.

Respectfully submitted,

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